

Message Text

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TO SECSTATE WASHDC 0818
INFO AMEMBASSY BONN
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AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMCONSUL OPORTO
AMEMBASSY PARIS
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C O N F I D E N T I A L SECTION 1 OF 3 LISBON 2667

E.O. 11652: GDS
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SUBJ: SOCIALIST PARTY COHESION: AN ASSESSMENT

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SUMMARY: THE SOARES-LED MODERATE PS LEADERSHIP FACES
PRESSURES FROM WITHIN AND OUTSIDE THE PARTY. THE
DISAFFECTION OF IMPORTANT ELEMENTS OF THE PS LEFT WING
COMPLICATES SOARES'S EFFORTS TO ISOLATE THE COMMUNISTS.
DESPITE DISTURBING IMPLICATIONS FLOWING FROM DISHARMONY AMONG
SOCIALISTS, FAR MORE HOLDS THE PS TOGETHER THAN PULLS IT
APART. SOARES AND THE TOP PS LEADERSHIP ARE WORKING TOGETHER,
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THE OTHER DEMOCRATIC PARTIES ARE GENERALLY COOPERATING
WITH THE GOVERNMENT, AND THE SOARES-EANES RELATIONSHIP
IS SOUND. IN SUM, ASSUMING CONTINUED ECONOMIC SUPPORT FOR THE
GOP FROM ABROAD, PROSPECTS ARE GOOD THAT THE SOCIALISTS WILL
REMAIN SUFFICIENTLY COHESIVE TO HOLD ON TO THE REINS OF
POWER FOR THE NEXT SIX TO EIGHT MONTHS. END SUMMARY.

1. SETTING THE ISSUE: THE COHESION AND UNITY OF PURPOSE OF THE SOCIALIST PARTY WILL BE KEY FACTORS IN DETERMINING PORTUGAL'S ABILITY TO PROMOTE ECONOMIC RECOVERY WHILE STRENGTHENING DEMOCRATIC INSTITUTIONS. THE SOARES LEADERSHIP FACES PRESSURES BOTH FROM WITHIN AND OUTSIDE THE PARTY. WITH NO DEMOCRATIC ALTERNATIVE IN SIGHT, A SCHISM WITHIN THE GOVERNMENT PARTY WOULD PLAY INTO THE HANDS OF THE EXTREMES AND COMPLICATE EFFORTS TO BRING PORTUGAL INTO THE EUROPEAN MAINSTREAM AS A FULLY CONTRIBUTING MEMBER OF THE ATLANTIC ALLIANCE.

2. THE THREAT FROM THE LEFT: THE CURRENT CHALLENGE TO PS UNITY COMES PRIMARILY, BUT NOT EXCLUSIVELY, FROM THE PARTY'S LEFT WING. THE THREAT FROM THE LEFT HAS SEVERAL ELEMENTS:

-- THE DISSIDENT OUTSIDERS: THE SO-CALLED "TROTSKYITE" FACTION, LED BY RECENTLY-EXPELLED LEGISLATIVE ASSEMBLY DEPUTIES CARMELINDA PEREIRA AND ANTONIO AIRES RODRIGUES, CONTINUES TO FLAIL AWAY AT THE PARTY LEADERSHIP. THE "TROTSKYITES" ARE CONCENTRATING ON EFFORTS TO SUBVERT PS-ORIENTED WORKERS COMMITTEES AND TO BUILD STRENGTH AMONG RADICALIZED ELEMENTS OF THE SOCIALIST YOUTH ORGANIZATION.

-- THE DISSIDENTS WITHIN: FORMER AGRICULTURE MINISTER LOPES CARDOSO REMAINS THE FOCAL POINT OF LEFT-WING DISSATISFACTION INSIDE THE PARTY. LOPES CARDOSO, WHO WAS VIRTUALLY READ OUT OF THE PARTY FOLLOWING THE NVO 1976 PS CONGRESS, HAS MADE A STRONG COMEBACK. CAREFULLY

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AVOIDING ACTIONS WHICH MIGHT PROVOKE EXPULSION FROM THE PARTY, HE HAS AGAIN BECOME A LEADING SPOKESMAN FOR THE PS LEFT WING. THE "SOCIALIST CULTURAL ASSOCIATION," RECENTLY LAUNCHED BY LOPES CARDOSO AND LIKE-MINDED SOCIALISTS AND "INDEPENDENTS," PROVIDES A READLY VEHICLE FOR SYSTEMATIC OPPOSITION WITHOUT VIOLATING RECENTLY LIBERALIZED PARTY STATUTES.

-- THE PRAGMATISTS: OTHER PROMINENT LEFT-WINGERS, MOST NOTABLY ANTONIO REIS AND CARLOS LAGE, HAVE OPTED TO REMAIN WITH THE LEADERSHIP. THE REIS LEFT-WINGERS TAKE A PRAGMATIC VIEW. THEY HAVE NOT ABANDONED MARX. BUT, AT THIS JUNCTURE, THEY BELIEVE IDEOLOGY MUST TAKE A BACK SEAT TO THE PRIORITY TASK OF ECONOMIC RECOVERY.

-- THE UNPREDICTABLES: EMPLOYMENT SECRETARY AND PS SECRETARIAT MEMBER MANUEL TITO DE MORAIS IS TYPICAL OF A HANDFUL OF PARTY ACTIVISTS WHO SUFFER FROM WHAT FELLOW SOCIALISTS REFER TO AS A "LEFTIST COMPLEX." MEMBERS OF THIS SMALL BUT OCCASIONALLY INFLUENTIAL GROUP SEEM HAUNTED BY THE THOUGHT THAT SOMEONE WITHIN THE PARTY

MIGHT CHALLENGE THEIR DEDICATION TO SOCIALIST PRINCIPLES.
ALTHOUGH TITO DE MORAIS AND THE OTHERS USUALLY GO ALONG
WITH THE MODERATE PS LEADERSHIP, THEY CANNOT BE COUNTED
ON.

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3. THE THREAT FROM THE RIGHT: SOARES ALSO FACES
PRESSURES FROM SEVERAL CONSERVATIVE FACTIONS WITHIN THE
PARTY.

-- COALITION ADVOCATES: MODERATE CONSERVATIVES LED BY
AMBASSADOR-DESIGNATE TO SPAIN VITOR CUNHA REGO, MAKE NO
SECRET OF THEIR PREFERENCE FOR FUSION OF PS "SOCIAL
DEMOCRATIC" ELEMENTS WITH LIKE-MINDED ELEMENTS OF THE
PSD. INFORMAL INTRA-PARTY DISCUSSIONS AMONG SUPPORTERS
OF THIS OPTION HAVE BEEN GOING ON FOR MONTHS WITH THE
KNOWLEDGE IF NOT THE APPROVAL OF BOTH SOARES AND SA
CARNEIRO.

-- THE CONSERVATIVE OUTSIDERS: IRONICALLY, LOPES
CARDOSO'S SOCIALIST CULTURE ASSOCIATION HAS A
PARALLEL AMONG PS CONSERVATIVES. "A CAPITAL" DIRECTOR
FRANCISCO SOUSA TAVARES AND SIMILARY-INCLINED SOCIALISTS
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ACTIVE IN JOURNALISM AND THE ARTS HAVE ORGANIZED A CULTURAL GROUP OF THEIR OWN AS A FORM OF PROTEST AGAINST WHAT THEY ALLEGE TO BE THE LEADERSHIP'S FAILURE TO UTILIZE AND, MORE IMPORTANTLY, RECOGNIZE THEIR SPECIAL TALENTS.

-- THE CRAZIES: THE PS HAS ALSO ATTRACTED A NUMBER OF ANTI-COMMUNIST CRUSADERS WHO VIEW THE PARTY AS MERELY A VEHICLE FOR ATTACKING CUNHAL AND THE COMMUNISTS. FRANCISCO "CHICO DA CUF" FERREIRA IS THE PRIME EXAMPLE.

4. PLUS AN INHOSPITABLE ENVIRONMENT: THE INTERNAL PRESSURES WHICH THE PS LEADERSHIP FACES ARE COMPOUNDED BY OTHER POLITICAL FACTORS, INCLUDING:

-- THE LIABILITY OF ASSOCIATION WITH UNPOPULAR AUSTERITY MEASURES TAKEN BY THE GOVERNMENT.

-- THE COLLAPSE OF THE "OPEN LETTER" CHALLENGE TO PCP HEGEMONY IN THE LABOR FIELD AND FLAGRANT BREACHES OF DISCIPLINE BY PS LABOR CADRES.

-- THE POOR SHOWING OF SOCIALIST YOUTH (JS) SLATES IN UNIVERSITY AND SECONDARY SCHOOL ELECTIONS AND A CONTINUING BACKLASH ON CAMPUS TO EDUCATION MINISTER CARDIA'S PROGRAM FOR REESTABLISHING ACADEMIC DISCIPLINE.

-- AGRICULTURE MINISTER BARRETO'S ROUNDLY APPLAUDED EFFORTS ARE A MIXED BLESSING TO PS ORGANIZERS ON THE FIRING LINE IN THE ALENTEJO. PS ORGANIZATION THERE IS STILL WEAK AND PCP STRENGTH REMAINS FORMIDABLE.

-- THE PCP RHETORICAL OFFENSIVE AGAINST THE GOVERNMENT AND THE TOP PS LEADERSHIP HAS SOUGHT TO TAG THE SOCIALISTS WITH "GIVING IN TO THE RIGHT" AND "PROMOTING CAPITALIST RECOVERY." SIMULTANEOUSLY, THE PCP CONTINUES TO PUSH THE "MAJORITY-OF-THE-LEFT" LINE, CONCENTRATING ON WOOLING SOCIALISTS AT THE BASE LEVEL.

-- A MORE ASSERTIVE PRESIDENCY, WHICH THE COMMUNISTS AS WELL AS ELEMENTS OF THE DEMOCRATIC OPPOSITION ARE PLAYING AS AN EROSION OF THE GOVERNMENT'S AUTHORITY.

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5. ACCENTUATING THE NEGATIVE: THERE ARE DANGERS INHERENT IN THE CURRENT SITUATION:

-- THE DISAFFECTION OF IMPORTANT ELEMENTS OF THE PS COMPLICATES SOARES'S EFFORTS TO ISOLATE THE COMMUNISTS. PS LABOR LEADER KALIDAS BARRETO'S DECISION TO ACCEPT A POSITION ON THE CGTP SECRETARIAT HELPS TO MASK COMMUNIST DOMINATION OF THAT ORGANIZATION.

ALTHOUGH LOPES CARDOSO'S SOCIALIST CULTURAL ASSOCIATION
CONTAINS NO ACKNOWLEDGED PCP MEMBERS, IT
INCLUDES SEVERAL NOTORIOUS FELLOW TRAVELERS.
-- PRESSURES FOR AN ACCOMMODATION WITH THE CGTP
PERSIST. THE PRESENCE OF BOTH CGTP AND PS "OPEN LETTER"
LEADERS AMONG THE FOUNDERS OF LOPES CARDOSO'S
SOCIALIST CULTURAL ASSOCIATION STRENGTHEN THIS POSSIBILITY.
-- AUSTERITY MEASURES WILL MAKE IT MORE DIFFICULT FOR
PS LABOR ACTIVISTS TO WORK THEIR WAY OUT OF THE HOLE
AND BUILD SUFFICIENT STRENGTH TO MOUNT A SUCCESSFUL
CHALLENGE TO THE COMMUNIST-DOMINATED CGTP. BUT THE
SUBSTITUTION OF MALDONADO GONELHA FOR MARCELO CURTO
IS A MAJOR PLUS WHICH WILL SIGNIFICANTLY STRENGTHEN
PS ABILITY TO PUT TOGETHER A COHERENT LABOR STRATEGY.

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6. A PRELIMINARY BALANCE SHEET: HOW SERIOUS IS THE
CHALLENGE TO PS COHESION? SEVERAL QUICK POINTS:
-- SOARES, THE CONSUMMATE POLITICIAN, IS STILL VERY
MUCH IN CHARGE. HE CONTINUES TO BE A ONE-MAN GANG, AND
THAT IS PART OF THE PROBLEM. THE GAP BETWEEN NUMBER
ONE AND NUMBER TWO WITHIN THE SOCIALIST PARTY CONTINUES
TO WIDEN. THE STATURE OF PARLIAMENTARY LEADER FRANCISCO

SALGADO ZENHA, THE RECOGNIZED SECOND MAN, HAS NOTICEABLY DECLINED. IN PART THIS REFLECTS THE DECIDEDLY SECONDARY POSITION WHICH THE LEGISLATIVE ASSEMBLY CURRENTLY OCCUPIES IN THE POLITICAL PECKING ORDER, PARTICULARLY FOR THE SOCIALISTS. ZENHA IS UNHAPPY WITH HIS SITUATION, AND THIS COULD SPELL TROUBLE.

-- THE TOP PARTY LEADERSHIP IS MORE UNIFIED THAN EVER. THIS IN PART REFLECTS THE SOARES MAGIC. BUT THE SACKING
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OF AIRES RODRIGUES AND LOPES CARDOSO'S DECISION TO REMOVE HIMSELF FROM THE SECRETARIAT HAS REINFORCED COHESION AT THE TOP.

-- THE PARTY ORGANIZATION IS NOT IN GOOD SHAPE. THE STRUCTURE AT THE GRASS-ROOTS LEVEL HAS SUFFERED SINCE THE PS ASSUMED CHARGE OF THE GOVERNMENT. THE DEVELOPMENT OF LOCAL CADRES HAS BEEN NEGLECTED. THE BEST PEOPLE HAVE GONE INTO THE GOVERNMENT, THE PARLIAMENTARY GROUP, OR TOP JOBS AT PARTY HEADQUARTERS. PARTY INSIDERS ADMIT THAT RUMBLINGS OF DISCONTENT ARE ALREADY BEING HEARD. BUT THE THINLY-SPREAD LEADERSHIP HAS THUS FAR DONE LITTLE TO CORRECT THE SITUATION. PS INABILITY TO GET A FIRM GRIP ON THE GOVERNMENT BUREAUCRACY COMPLICATES THE PROBLEM BY FURTHER DISSIPATING SCARCE PARTY RESOURCES.

-- THE SOCIALIST LEFT-WINGERS, BOTH INSIDE AND OUTSIDE THE PARTY, ARE STILL RELATIVELY FEW IN NUMBER IN COMPARISON WITH THE TOTAL NUMBER OF PS ACTIVISTS AND SUPPORTERS. BUT FAILURE TO CORRECT ORGANIZATIONAL DEFICIENCIES COMBINED WITH A GENERALIZED POLITICAL DEMOBILIZATION WHICH HAS ACCOMPANIED POLITICAL NORMALIZATION TENDS TO GIVE THE ARTICULATE, TIGHTLY-ORGANIZED MINORITY ON THE LEFT RELATIVELY GREATER WEIGHT.

-- ALTHOUGH THE PS MODERATE CONSERVATIVES WILL CONTINUE BEHIND THE SCENES TO PLUMB FOR FUSION OR COALITION WITH THE OTHER DEMOCRATIC PARTIES, PARTICULARLY WITH THE SOCIAL DEMOCRATS, CUNHA REGO AND LIKE-MINDED ELEMENTS ARE NOT ABOUT TO LEAD A WALKOUT OR PROMOTE A SCHISM.

7. THE PROGNOSIS: DESPITE THE DISTURBING IMPLICATIONS, FAR MORE HOLDS THE PS TOGETHER THAN PULLS IT APART. THERE IS DISSIDENCE AND DISSENT, BUT MUCH OF THE DISHARMONY IS INHERENT IN ANY MASS PARTY. SOARES AND THE TOP PARTY LEADERSHIP ARE PULLING TOGETHER, THE OTHER DEMOCRATIC PARTIES ARE GENERALLY COOPERATING WITH THE GOVERNMENT, AND THE SOARES-EANES RELATION-
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SHIP IS SOUND.

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